

Draft Minutes of an Interim Meeting of the Space Florida Board of Directors

An interim meeting of the Space Florida Board of Directors was held January 23, 2014 via teleconference.

Board Members Present:

Jesse Biter
Julius Davis
Hayden Dempsey
Danny Gaekwad
Belinda Keiser
Chris Kise
Brian Lamb
Jonathan Stanton
Hal Valeche

Space Florida Staff:

Frank DiBello
Howard Haug
Jim Kuzman
Denise Swanson

Agenda

- I. Welcome and Introductions
- II. Discussion Items
 1. Deals Upcoming
 2. Deals Closed
 3. Strategic Planning
- III. Public Comments
- IV. Closing Remarks and Adjournment

The meeting was called to order at 9:04 am, EST.

Discussion Items

Howard Haug advised the board that there would be no action items at this interim board meeting. The purpose of the meeting is to brief the board on an interim basis between board meetings about the upcoming board meeting in terms of the size and number of deals and any other matters of importance on the agenda so that board members would have more time to be prepared for action items at board meetings.

Deals Upcoming

Haug informed the board that the deal agenda for the upcoming board meeting will be light compared to previous meetings. The board will be briefed on two deals. The first is Project Expanse, a multi-tenant office building in Pensacola's Technology Campus Development. The board will be asked to approve management to enter into a MOU (Memorandum of Understanding) between Space Florida and Pensacola Industrial Development Corporation (landlord) and prospective tenants. Three key tenants currently occupy approximately 90 percent of the building. Haug estimates the size of the venture to be in the \$8 million to \$12 million range. He explained that the action at the next board meeting is to enter into the MOU to shape the deal. Once the deal is shaped it will be brought back to the board with the specifics for approval.

In response to a question about how this deal will help attract industry that Space Florida is tasked with attracting Haug responded that it as an opportunity to start the development of a technology park, and gives Space Florida the opportunity to work with IHMC (Institute for Machine and Human Cognition), University of West Florida and the local EDC (economic development corporation). Haug also answered a question regarding the physical location of this facility.

The Center for Microgravity Research and Education will be the second deal on the agenda. Space Florida has helped fund this center in the past. The center is located at the University of Central Florida and is focused on microgravity research with the notion of making the area known for conducting microgravity of research. UCF is

developing more labs and has already won NASA research grants, which no other university in Florida has done. Haug stated that funding this center would fulfill Space Florida's mission to expand space technology into the commercial arena by making microgravity research available to commercial operations. The deal amount will be approximately \$384,000.

Haug announced that Space Florida might have one new major deal to bring to the board at the next meeting. Space Florida has been working this deal for a number of months with the county and Enterprise Florida. Space Florida is providing structure for the deal, and human capital on putting it together and fulfilling it over a number of years. If the deal does come to fruition, Haug anticipates a public announcement possibly before the board meeting, or sometime in the late February/March period. Haug believes that a special board meeting will be convened if the deal is not announced at the February board meeting.

Deals Closed

Since the last meeting Space Florida has closed Rubik's Cube, a specialized manufacturing plant in Hardee County. The company is currently focused on manufacturing a very unique, very small, and very light ceramic engine. Space Florida financed the CDC machines for the company. The Hardee County economic development organization and the county provided the facility. The company is currently hiring and Haug anticipates the company ramping up to 25 jobs fairly quickly and making product for commercial use by the end of the summer.

Space Florida has also closed all of the paperwork on Redline, an engineering facility at Melbourne airport. The ground has been prepared for construction and the foundation has been laid. The project is on schedule to be completed in September.

Jim Kuzman briefed the board regarding the Shiloh Launch Complex. Space Florida initiated the environmental impact study that is being led by the FAA (Federal Aviation Authority); NASA, local Fish & Wildlife and the Reserve are all serving as cooperating agencies. Scoping meetings, managed by the FAA, will take place February 11 and 12 in Volusia County and Brevard County. Space Florida's role is very minimal; the organization will just answer a few questions. The draft environmental impact statement is set to be released in January 2015.

Kuzman told the board that the FAA made the selection of six unmanned systems test sites on December 30, 2013. Florida was not one of the sites. Kuzman is working with the FAA to schedule a debriefing to understand the issues with Florida's proposal, if any. The test site designation was awarded to: New York, New Jersey, Virginia, Nevada, Texas and North Dakota. Space Florida intends to continue with plans to set up the architecture for commercial applications.

The Association for Unmanned Vehicle Systems (AUVSI) Conference is being held in Orlando, May 12-15. The Governor will be extended an invitation to be the keynote speaker. Space Florida is working with Enterprise Florida and Visit Florida to optimize business development opportunities at the conference.

In conjunction with the conference and in partnership with AUVSI and other companies, Space Florida is conducting a commercial demonstration at Exploration Park focused on commercial applications. The target areas for scenarios are agriculture, forestry, search and rescue, emergency response and disaster management, and invasive species plants and animals. Kuzman noted that the estimated economic impact (\$632 million and 3,200 jobs) of unmanned systems was not based on winning the test site, it was based on the integration of the technology into international airspace.

Frank DiBello commented that this marketplace is significant because it is large and rapidly expanding. There have been a number of independent studies that predict this market will be close to \$90 billion in the next decade. Space Florida's goal is to position Florida to be a major player in that marketplace. DiBello stated that Florida's statewide FAA proposal included four areas in the state, 12 ranges in the state, and 80 partners around the state. He informed board members that Florida was never in the FAA Test Site competition for the federal recognition that went with being a test site designation. Nor was Florida competing for any money that came from the federal government, because there wasn't any. Florida participated in the competitive process for the marketplace. The infrastructure and the system and range architecture that was put in place for the FAA proposal exists today and will be used by the 80 partners across the state for the next decade. He said Space Florida is actively talking to companies that are interested in testing, operating and developing the applications for their unmanned platforms in Florida.

DiBello explained that prior to today's teleconference he was meeting with NASA Administrator, Charlie Bolden; Kennedy Space Center Director, Bob Cabana; Sierra Nevada Corporation Corporate Vice President Mark Sirangelo; and Sierra Nevada Corporation chief test pilot, Steve Lindsey regarding an announcement that Sierra Nevada plans to make later in the day. This announcement is another significant win for Florida and helps ensure that the infrastructure present in the state continues to be used for the next generation of flight. DiBello said more details will be available after the announcement, at the next board meeting.

Strategic Planning

DiBello mentioned the triangle chart he has been using at board meetings, which describes the focus of Space Florida's strategic plan and its goals and objectives. He views the chart as aimed at two objectives: to diversify the state's space industry, and to build the supply chain in the state in all 67 counties. Space Florida is going through a strategic re-examination due to the rapidly changing marketplace. He predicts Space Florida will continue to focus on diversification and building the supply chain, but may adjust some of the market segments to reflect the way they are rolling out and to make sure Florida is aimed properly at the market. He wants to make sure Space Florida continues to refine and align to not only meet the requirements of the state statute, but the requirements of the marketplace, and remain consistent with the Governor's policy objectives. Board members will receive materials reflecting this new strategy and they will be discussed at the next board meeting.

DiBello was asked if there will be another opportunity for FAA test site designation, and what the designation would have brought to Florida. DiBello explained that the FAA's goal is to use these test sites as locations where they can fly unmanned systems to develop the "rules of the road" and incorporate them into the next generation airspace. Rules of the road include sense and avoid technologies and what happens when unmanned systems are flying both with scheduled airline traffic as well as with the general aviation market. Over the next decade, DiBello expects a significant increase in the number of commercial and civil applications for unmanned systems as part of everyday world. It is important that the FAA focus on the development of proper rules of the road for our safety. DiBello feels it will take a couple years before the FAA gets that program underway. He went on to say that Florida is not waiting; Space Florida is already active and recruiting companies to treat Florida as their commercial test site and take advantage of the system architecture and infrastructure that is in place.

Kuzman brought to the board's attention that not all six test sites will be rolled out at one time. The first site rollout is approximately nine to twelve months away and sites will continue to be rolled out through 2017. He reiterated that there is no specific funding or tasking designated for the test sites. Further, the FAA grant program is still available to anyone who can compete. Embry Riddle has been working in the area of next generation systems under a FAA grant for the last five years and will continue to do so. There are three other universities that have grants that Space Florida can help by being able to operate within our airspace.

Kuzman noted that the test sites have to provide some idea of what they want to focus on, it has to be approved, and then there are some very onerous data collection requirements. Sites that were not selected, Oklahoma, Ohio, Florida, Alabama, and California, are all in dialogue with the FAA and are still eligible to receive grants. In some cases, the non-test sites do not have some of burden of the test sites and can move forward with commercial application. He echoed DiBello's comment that Florida is continuing to put into play the architecture and infrastructure that was developed for the FAA proposal and thinks Florida will be nine to twelve months ahead of any of the test sites.

Public Comments

There were no public comments.

Closing Remarks and Adjournment

DiBello thanked board members for joining the call today.

There being no further business, Frank DiBello adjourned the meeting at 9:37 am, EST.

INTERIM BOARD OF DIRECTORS MEETING

January 23, 2014

I, Frank DiBello, the undersigned President of Space Florida, do certify and declare that the attached is an accurate copy of the Minutes as approved by the Board of Directors of Space Florida in accordance with the Bylaws, and recorded in the minutes of the interim meeting of the Board of Directors held on January 23, 2014, and not subsequently amended or modified.

Frank A. DiBello, President